



TO: House Health and Human Services Committee

FROM: Randall Nyp, CEO Providence Medical Center

DATE: March 18, 2015

RE: House Bill 2319 – Support

On behalf of Providence Medical Center, I am pleased to provide a letter of support for House Bill 2319, which requires the Kansas Department of Health and Environment to develop a federal Medicaid waiver for a budget-neutral managed care program known as KanCare 2.0. KanCare 2.0 would provide access to healthcare coverage options for newly eligible individuals while employing personal responsibility through cost sharing and rewarding healthy outcomes and responsible health choices.

Under the current structure of the ACA, Providence would be slated for Medicare cuts of more than \$2.6 million in 2016; an amount which will increase annually, resulting in cuts for Providence Medical Center of almost \$40 million over the next ten years. These cuts were meant to initially to fund the role-out of the ACA. The proposed Medicaid expansion by the states was meant to mitigate the reductions.

Not expanding the breadth of KanCare to assist the poorest families in the community served by Providence would deal a devastating blow to our financial stability. At some point we would be forced to significantly reduce critical services and staff.

Although Providence Medical Center has served the people of Wyandotte County for 95 years and fills the gap in essential hospital services for those living in the western part of the county, the hospital was in danger of closing in 2012 because of the very population we serve. The financial burden of many of the uninsured patients in Wyandotte County falls to Providence. Only under new ownership, willing to invest in infrastructure and updating equipment, combined with a very lean delivery model of healthcare have we been able to begin the turnaround to financial stability.

The residents of western Wyandotte County and outlying areas depend on Providence for their healthcare needs, especially emergency services.

Take Chris for example. Chris was at his home near Piper in spring of 2014 when he started having severe chest pains. As the ambulance arrived, his wife suggested they take him to a larger hospital a good distance away. The EMT assured her Chris wouldn't make it that far and sped him to the nearest hospital with a cath lab (Providence). Chris is alive today because Providence was nearby and provided him expert care. Afterward, Chris was told that Providence had almost closed the year before and he would have needed to go much farther for the care he received. Needless to say, Chris and his wife were stunned at the thought of a different outcome for him without a hospital nearby.

Last year 38,324 patients came through our Emergency Department. Some of those (like Chris) for life-saving services

An additional 7576 members of our community were inpatients at Providence for other services including joint replacements, general surgeries, serious illnesses and bringing new lives safely into the world. Not all of them had insurance or the ability to pay out of pocket, but they were not turned away. In 2014, Providence provided more than 51 million in uncompensated care.

On a wider economic note, Providence is one of the top ten employers in Wyandotte County, employing 1182 persons of all skill sets and income levels, most of whom live in Wyandotte and Johnson counties. The income they spend and the taxes they pay have a significant impact on the county's annual revenue.

Providence has begun a solid financial turnaround, but without expansion of KanCare, the scales could tip in the other direction beginning a spiral of service and staff cuts, creating an uncertain future for the availability of vital health services, not to mention a dimmer economic future for the county and the families who depend on Providence for their livelihood.

With the passage of the proposed expansion, the future of Providence Medical Center looks much more secure. We will be able to expand needed services and provide state-of-the-art quality healthcare for Wyandotte County.

Additionally, with expansion of KanCare our patients would be able to receive regular health checks, allowing their primary care home to motivate healthy life styles and monitor their health before it reaches a critical point and hospitalization. They would also have access to chronic disease management reducing unnecessary and expensive trips to the emergency department.

I know no better way for the Kansas Legislature to work for the best interest for all Kansans than to endorse good health for all by passing the expansion of KanCare. I earnestly encourage you to do so.

Thank you for your consideration of my comments.